

ALBEE-MAPLE GROVE  
POLICE DEPARTMENT  
SAGINAW COUNTY

FINANCIAL STATEMENTS

MARCH 31, 2008

# Auditing Procedures Report V1.04

[Reset Form](#)[Email](#)

Issued under Public Act 2 of 1968, as amended .

Unit Name	Albee-Maple Grove Police Department	County	SAGINAW	Type	OTHER	MuniCode	73-1-010
Opinion Date-Use Calendar	Jun 16, 2008	Audit Submitted-Use Calendar		Fiscal Year-Use Drop List		2008	

If a local unit of government (authorities & commissions included) is operating within the boundaries of the audited entity and is NOT included in this or any other audit report, nor do they obtain a stand-alone audit, enclose the name(s), address(es), and a description(s) of the authority and/or commission.

Place a check next to each "Yes" or non-applicable question below. Questions left unmarked should be those you wish to answer "No".

<input checked="" type="checkbox"/>	1. Are all required component units/funds/agencies of the local unit included in the financial statements and/or disclosed in the reporting entity notes to the financial statements?
<input checked="" type="checkbox"/>	2. Does the local unit have a positive fund balance in all of its unreserved fund balances/unrestricted net assets?
<input type="checkbox"/>	3. Were the local unit's actual expenditures within the amounts authorized in the budget?
<input checked="" type="checkbox"/>	4. Is this unit in compliance with the Uniform Chart of Accounts issued by the Department of Treasury?
<input type="checkbox"/>	5. Did the local unit adopt a budget for all required funds?
<input type="checkbox"/>	6. Was a public hearing on the budget held in accordance with State statute?
<input checked="" type="checkbox"/>	7. Is the local unit in compliance with the Revised Municipal Finance Act, an order issued under the Emergency Municipal Loan Act, and other guidance as issued by the Local Audit and Finance Division?
<input type="checkbox"/>	8. Has the local unit distributed tax revenues, that were collected for another taxing unit, timely as required by the general property tax act?
<input checked="" type="checkbox"/>	9. Do all deposits/investments comply with statutory requirements including the adoption of an investment policy?
<input checked="" type="checkbox"/>	10. Is the local unit free of illegal or unauthorized expenditures that came to your attention as defined in the Bulletin for Audits of Local Units of Government in Michigan, as revised (see Appendix H of Bulletin.)
<input checked="" type="checkbox"/>	11. Is the unit free of any indications of fraud or illegal acts that came to your attention during the course of audit that have not been previously communicated to the Local Audit and Finance Division? (If there is such activity, please submit a separate report under separate cover.)
<input checked="" type="checkbox"/>	12. Is the local unit free of repeated reported deficiencies from previous years?
<input checked="" type="checkbox"/>	13. Is the audit opinion unqualified?
	14. If not, what type of opinion is it? <input type="text" value="NA"/>
<input checked="" type="checkbox"/>	15. Has the local unit complied with GASB 34 and other generally accepted accounting principles (GAAP)?
<input checked="" type="checkbox"/>	16. Has the board or council approved all disbursements prior to payment as required by charter or statute?
<input checked="" type="checkbox"/>	17. To your knowledge, were the bank reconciliations that were reviewed performed timely?
<input type="checkbox"/>	18. Are there reported deficiencies?
<input type="checkbox"/>	19. If so, was it attached to the audit report?

General Fund Revenue:	\$ 19,627.73
General Fund Expenditure:	\$ 12,989.25
Major Fund Deficit Amount:	\$ 0.00

General Fund Balance:	\$ 29,475.30
Governmental Activities Long-Term Debt (see instructions):	\$ 0.00

We affirm that we are certified public accountants (CPA) licensed to practice in Michigan. We further affirm the above responses have been disclosed in the financial statements, including the notes, or in the Management Letter (Reported deviations).

CPA (First Name)	Lori	Last Name	Chant	Ten Digit License Number	1101020651				
CPA Street Address	217 N. Washington	City	Owosso	State	MI	Zip Code	48867	Telephone	+1 (989) 723-8227
CPA Firm Name	Demis and Wenzlick, PC	Unit's Street Address	17010 Lincoln	City	New Lothrop	LU Zip	48460		

ALBEE-MAPLE GROVE POLICE DEPARTMENT

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# DEMIS and WENZLICK, P.C.

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## INDEPENDENT AUDITOR'S REPORT

To the Joint Administrative Board  
Albee-Maple Grove Police Department  
Saginaw County  
17010 Lincoln Road  
New Lothrop, Michigan 48460

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information for the Albee-Maple Grove Police Department, Saginaw County, Michigan, as of and for the year ended March 31, 2008. These financial statements are the responsibility of the Police Department's management. Our responsibility is to express an opinion on these general-purpose financial statements based on our audit.

We have conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amount and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluation of the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, except the financial statements referred to above present fairly, in all material respects, the financial position of the Department, as of March 31, 2008, in conformity with accounting principles generally accepted in the United States of America.

The management's discussion and analysis as identified in the table of contents are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquires of management regarding the methods of measurements and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was made for the purpose of forming an opinion on the combined financial statements taken as a whole and on the combining and individual fund financial statements. The accompanying financial information has been subjected to the auditing procedures applied in the examination of the combined, combining, and individual fund financial statements and, in our opinion, is fairly stated in all material respects in relation to the combined financial statements taken as a whole.

Our report of comments and recommendations dated June 16, 2008, has been submitted under separate cover.

*Davis and Wenzel, P.C.*

Certified Public Accountants

Owosso, Michigan  
June 16, 2008

MANAGEMENT'S DISCUSSION  
AND ANALYSIS

## ALBEE-MAPLE GROVE POLICE DEPARTMENT MANAGEMENT'S DISCUSSION AND ANALYSIS

The following is a discussion and analysis of the Albee-Maple Grove Police Department's financial performance and position, providing an overview of the activities for the year ended March 31, 2008. This analysis should be read in conjunction with the Independent Auditors Report and with the Department's financial statements, which follow this section. The fiscal year ended March 31, 2008 represents the first year the Department has reported under the provisions of the Governmental Accounting Standards Board (GASB) Statement No. 34, Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments, as amended by GASB Statement No. 37, Basic Financial Statement and Management's Discussion and analysis for State and Local Governments – Omnibus and Statement No. 38, Certain Financial Statement Note Disclosures. Therefore, this discussion and analysis does not provide comparisons with previous years.

### FINANCIAL HIGHLIGHTS

The assets of the Department consist of cash and receivables due within one year from the Townships. Liabilities are accounts payable due.

The assets of the Department exceed its liabilities at the close of the most recent fiscal year by \$29,475 (net assets). The entire amount of net assets may be used to meet the Department's ongoing obligations to citizens and creditors.

### OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Department's basic financial statements. The Department's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements and 3) notes to the financial statements.

**Government-wide financial statements.** The government-wide financial statements are designed to provide readers with a broad overview of the Department's finances, in a manner similar to a private-sector business.

The statement of net assets presents information on all of the Department's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Department is improving or deteriorating.

The statement of activities presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., delinquent personal property taxes).

ALBEE-MAPLE GROVE POLICE DEPARTMENT  
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

**Fund financial statements.** A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Department, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The Department only has one fund: General fund.

**Governmental funds.** Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

**Notes to the financial statements.** The notes provide additional information that is essential to full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 10 through 11 of this report.

## **REQUESTS FOR INFORMATION**

This financial report is designed to provide a general overview of the Department's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to:

Albee-Maple Grove Police Department  
17010 Lincoln Road  
New Lothrop, MI 48460



## BASIC FINANCIAL STATEMENTS

ALBEE-MAPLE GROVE POLICE DEPARTMENT  
STATEMENT OF NET ASSETS  
MARCH 31, 2008

ASSETS	<u>Governmental Activities</u>
CURRENT ASSETS:	
Cash	\$ 18,106
Due from Municipalities:	
Albee Township	3,808
Maple Grove Township	<u>10,028</u>
TOTAL ASSETS	<u>\$ 31,942</u>
LIABILITIES AND NET ASSETS	
CURRENT LIABILITIES:	
Accounts Payable	<u>\$ 2,467</u>
TOTAL LIABILITIES	\$ 2,467
NET ASSETS:	
Unrestricted	<u>29,475</u>
TOTAL NET ASSETS	<u>\$ 31,942</u>

See notes to financial statements.

ALBEE-MAPLE GROVE POLICE DEPARTMENT  
STATEMENT OF ACTIVITIES  
YEAR ENDED MARCH 31, 2008

Functions/Programs	Expenses	Program Revenues	Net (expense) Revenue and Changes in Net Assets
		Charges for Services	Total Governmental Activities
Primary Government			
Governmental Activities:			
Public Safety	\$ 12,989		\$ (12,989)
Community and Economic Development			
Culture and Recreational			
Other Functions			
Total Governmental Activities	<u>\$ 12,989</u>		<u>\$ (12,989)</u>
General Revenues:			
Albee Township			\$ 7,904
Maple Grove Township			10,028
State Revenue Sharing – Liquor Licensing			1,694
Investment Earnings			<u>1</u>
Total General Revenues			<u>\$ 19,627</u>
Change in Net Assets			\$ 6,638
Net assets, Beginning of Year			<u>22,837</u>
Net assets, End of Year			<u>\$ 29,475</u>

The accompanying notes are an integral part of these financial statements.

See independent auditor's report

ALBEE-MAPLE GROVE POLICE DEPARTMENT  
BALANCE SHEET  
FOR THE YEAR ENDED MARCH 31, 2008 AND 2007

ASSETS

	<u>March 31</u>	
	<u>2008</u>	<u>2007</u>
ASSETS		
Cash	\$ 18,106	\$ 18,441
Due from Municipalities		
Albee Township	3,808	5,904
Maple Grove Township	<u>10,028</u>	
TOTAL ASSETS	<u>\$ 31,942</u>	<u>\$ 24,345</u>

LIABILITIES, EQUITY AND OTHER CREDITS

LIABILITIES

Accounts Payable	\$ 2,467	\$ 1,508
Due to Maple Grove Township		

EQUITY AND OTHER CREDITS

Fund Equity	<u>29,475</u>	<u>22,837</u>
TOTAL LIABILITIES, EQUITY AND OTHER CREDITS	<u>\$ 31,942</u>	<u>\$ 24,345</u>

The accompanying notes are an integral part of these financial statements.

See independent auditor's report.

ALBEE-MAPLE GROVE POLICE DEPARTMENT  
STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND EQUITY  
FOR THE FISCAL YEAR ENDED MARCH 31, 2008 AND 2007

	<u>2008</u>	<u>2007</u>
REVENUES		
State Shared Revenue – Liquor License Fees		
Albee Township	\$ 939	\$ 947
Maple Grove Township	755	715
Intergovernmental Revenues		
Albee Township	7,904	12,732
Maple Grove Township	10,028	15,943
Other	1	
TOTAL REVENUES	<u>\$ 19,627</u>	<u>\$ 30,337</u>
EXPENDITURES		
Administrative		
Independent Accounting & Auditing	\$	\$ 550
Contractual Service – Saginaw		
Sheriff's Dept		
Basic Contract Fee	12,989	14,511
TOTAL EXPENDITURES	<u>\$ 12,989</u>	<u>\$ 15,061</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURE	\$ 6,638	\$ 15,276
FUND EQUITY, BEGINNING OF FISCAL YEAR	<u>22,837</u>	<u>7,561</u>
FUND EQUITY, END OF FISCAL YEAR	<u>\$ 29,475</u>	<u>\$ 22,837</u>

The accompanying notes are an integral part of these financial statements.

See independent auditor's report.

ALBEE-MAPLE GROVE POLICE DEPARTMENT  
NOTES TO FINANCIAL STATEMENTS  
MARCH 31, 2008

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

ORGANIZATION

During 1991, the Townships of Albee and Maple Grove joined together under State Act 33, of P.A. 1951 and Act 81 P.A. 1981 in establishing, maintaining and equipping a jointly operated police department.

The Township under Act 78 P.A. of 1989, have contracted with the Saginaw County Sheriff to provide special police protection for the two Townships.

The Police Department is administered by a five member Joint Administrative Board.

BASIS OF ACCOUNTING

The Department utilizes the modified accrual basis of accounting. Revenues are recognized when they become measurable and available. Expenditures are recognized when the related liability is incurred, provided the liability normally would be liquidated with expendable available financial resources. Modification from the accrual basis are as follows:

Payments for inventoriable types of supplies are recorded as expenditures at the time of purchase.

Normally, expenditures are not divided between years by recording of prepaid expenses.

CAPITAL OUTLAY AND DEPRECIATION

Capital expenditures for items having a useful life of more than one year are expensed in the year of outlay.

CASH, CASH EQUIVALENTS AND INVESTMENTS

The Department's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from date of acquisition.

State statutes authorize the Department to invest in U.S. government obligation, certificates of deposit, commercial paper, repurchase agreements, bankers' acceptances, and with some restrictions, mutual funds. An Attorney General's opinion states that public funds may not be deposited in financial institutions located in states other than Michigan.

All investments, if any, are stated at cost, or amortized cost and are made in accordance with State Act 217, P.A. 1982.

ALBEE-MAPLE GROVE POLICE DEPARTMENT  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
MARCH 31, 2008

NOTE B – DEPOSIT AND INVESTMENTS

The bank carrying value of deposits held with financial institutions equates to the Department's carrying value of \$18,106. The bank balance is categorized as follows:

Amount insured by the FDIC	
Uncollateralized and uninsured	<u>\$18,106</u>
 TOTAL BANK BALANCE	 <u>\$18,106</u>

NOTE C – FIXED ASSETS

The Department has no vehicles and equipment in its name.

NOTE D – INTERGOVERNMENTAL REVENUE

Currently, the Townships of Albee and Maple Grove appropriate 0.238 mills of property taxable valuation from their general fund for the joint police department.



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Bruce Wenzlick

Members of the Joint Administrative Board  
Albee-Maple Grove Police Department  
Saginaw County, Michigan

In compliance with the provisions of Section 11, Paragraph 2, of Act 2, Public Acts of 1968, we wish to render our report of comments and recommendations which were formulated as a result of the examination of our firm performed on the financial statements of the Police Department for the year ended March 31, 2008.

As a result of our examination of the Departments financial statements, we make the following comment:

## **BUDGET**

An annual budget was not prepared by the Administrative Board.

Act 33 of 1951 regarding Police and Fire Protection requires that the Administrative Board shall prepare an annual budget to be reviewed by the Township Board.

We wish to thank the Department for the excellent cooperation we received in performing the audit. If we can be of any further assistance to the Department on these matters or any future matters, please do not hesitate to contact us.

*Demis and Wenzlick, P.C.*

Certified Public Accountants

Owosso, Michigan  
June 16, 2008